



TRI-COUNTY REGIONAL PLANNING COMMISSION

Planning for People in the Greater Lansing Region Since 1956

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Chris Swope

Darrell Tennis

John Veenstra

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EX-OFFICIO

City of Lansing Mayor

Clinton, Eaton and Ingham County

Chairpersons

EXECUTIVE DIRECTOR

Susan M.C. Pigg, CECD

December 18, 2015

Mr. Chris Swope
City Clerk, City of Lansing
City Hall
124 W. Michigan
Lansing, MI 48933

Dear Mr. Swope:

In accordance with our Bylaws, we are submitting the audit report for the fiscal year 2015 for the Tri-County Regional Planning Commission.

If you have any questions, please feel free to contact us.

Sincerely,


Greg Hoffman
Finance Director

Encl.

AUDIT LTR 2015

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TCRPC is an Equal Opportunity Employer

**Tri-County Regional Planning Commission
Lansing, Michigan**

FINANCIAL STATEMENTS

September 30, 2015

Tri-County Regional Planning Commission

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INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
Tri-County Regional Planning Commission
Lansing, Michigan

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and the major fund of Tri-County Regional Planning Commission (the Commission) as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents.

Managements Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the Commission as of September 30, 2015, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information, as identified in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Commission's basic financial statements. The accompanying other supplementary information, as identified in the table of contents, is presented for purposes of additional analysis and is not a required part of the financial statements. The accompanying other supplementary information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 30, 2015, on our consideration of the Commission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Commission's internal control over financial reporting and compliance.

Abraham & Gaffney, P.C.

ABRAHAM & GAFFNEY, P.C.
Certified Public Accountants

November 30, 2015

Tri-County Regional Planning Commission
MANAGEMENT'S DISCUSSION AND ANALYSIS

Year Ended September 30, 2015

This is part of the Tri-County Regional Planning Commission (TCRPC) annual financial report. It presents discussion and analysis of the Commission's financial performance during the fiscal year that ended September 30, 2015. Please read it in conjunction with the attached financial statements.

Financial Highlights

Our FY 2015 financial status slightly improved from the prior year. Net position increased by \$3,722 compared to 2014 increases of \$58,538 and 2013 increases of \$40,398. Total Net Position is now \$561,615 of which \$25,530 represents capital assets. This net position will be used for operating cash-flow, match for federal funding that was not spent this year, future program shortfalls and capital asset purchases. See tables 1 and 2 below.

**Table 1
Summarized Statements of Net Position
Governmental Activities**

	Fiscal Year 2015	Fiscal Year 2014	Fiscal Year 2013
Current assets	\$ 1,071,410	\$ 992,206	\$ 782,104
Capital assets, net	25,530	35,033	28,337
Total assets	1,096,940	1,027,239	810,441
Current liabilities	535,325	469,346	311,086
Net investment in capital assets	25,530	35,033	28,337
Unrestricted	536,085	522,860	471,018
Total net position	\$ 561,615	\$ 557,893	\$ 499,355

**Table 2
Changes in Net Position
Governmental Activities**

	2015	2014	2013
Net position, October 1	\$ 557,893	\$ 499,355	\$ 458,957
Results of operations	3,722	58,154	37,646
Prior period adjustments	-	384	2,752
Total changes in net position	3,722	58,538	40,398
Net position, September 30	\$ 561,615	\$ 557,893	\$ 499,355

For 2015, 2014, and 2013 overall revenues were \$1,836,652, \$2,902,843, and \$2,500,938 respectively and overall expenses were \$1,832,930, \$2,844,689, and \$2,463,292 respectively, as reported in the statements of activities.

Tri-County Regional Planning Commission
MANAGEMENT'S DISCUSSION AND ANALYSIS

Year Ended September 30, 2015

Fund Financial Statements

The fund financial statements provide more detailed information about the Commission's fund. Funds are established to account for funding and spending of specific financial resources and to show proper expenditures of those resources. Tri-County Regional Planning Commission has the following Governmental fund:

General Operating Fund - The Commission's activities are accounted for in the general fund.

This fund is presented on the modified accrual basis, which is designed to show short-term financial information. You will note that differences between the government wide statements and the fund statements are disclosed in the reconciling financial statements to explain the differences between them.

Financial Analysis of the Commission as a Whole

Net Position - The Commission's net position increased during the year ended September 30, 2015, by \$3,722. Total unrestricted net position was \$536,085 at year end. The unrestricted net position will be used for operating cash-flow, future program shortfalls, and capital asset purchases.

Liabilities - The Commission's liabilities increased by \$65,979. This was due to increases in accounts payable and unearned revenues.

Financial Analysis of the Commission's Fund

Amendments to our budget for the year ended September 30, 2015, were to add projects and cover changes in certain operational expenditures.

General Fund Budgetary Highlights

The Commission adopts an annual budget for the General Fund. A budgetary comparison statement has been provided as required supplementary information to demonstrate compliance with this budget.

Federal source and state source revenue were \$160,672 and \$91,088 lower than anticipated, respectively and local source revenue was \$74,933 higher than anticipated. Although the final expenditure budget increased from the original budget, the final budget exceeded actual expenditures by \$167,938.

Capital Assets

The following is a summary of capital assets and the associated accumulated depreciation:

	Fiscal Year 2015	Fiscal Year 2014	Fiscal Year 2013
Furniture and equipment	\$ 191,055	\$ 191,055	\$ 190,463
Less: Accumulated depreciation	<u>(165,525)</u>	<u>(156,022)</u>	<u>(162,126)</u>
Net capital assets	<u>\$ 25,530</u>	<u>\$ 35,033</u>	<u>\$ 28,337</u>

The capital assets of the Commission consist exclusively of office furniture and equipment. The Commission has implemented a capitalization policy consistent with MDOT and federal funding that require all items, other than buildings, building improvements and land improvements, purchased having a useful life in excess of one year and an individual cost of more than \$5,000 be capitalized and depreciated. The capitalization threshold for buildings and building improvements is \$50,000 and \$25,000 for land improvements. There were no additions to capital assets purchased in the current fiscal year. Note D to the financial statements provides additional information regarding capital assets.

BASIC FINANCIAL STATEMENTS

Tri-County Regional Planning Commission

STATEMENT OF ACTIVITIES

Year Ended September 30, 2015

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Operating Grants and Contributions</u>	<u>Net (Expense) Revenue and Changes in Net Position</u>
Governmental activities			
Planning programs	<u>\$ 1,832,930</u>	<u>\$ 1,457,734</u>	\$ (375,196)
	General revenues		
	Member allocations		377,850
	Investment earnings		942
	Miscellaneous		<u>126</u>
	Total general revenues		<u>378,918</u>
	Change in net position		3,722
	Net position, beginning of the year		<u>557,893</u>
	Net position, end of the year		<u>\$ 561,615</u>

See accompanying notes to financial statements.

Tri-County Regional Planning Commission

RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET
TO THE STATEMENT OF NET POSITION

September 30, 2015

Total fund balance - governmental fund \$ 536,085

Amounts reported for the governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources
and therefore are not reported as assets in the governmental fund.

The cost of capital assets is	\$ 191,055
Accumulated depreciation is	<u>(165,525)</u>

Capital assets, net	<u>25,530</u>
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Net position of governmental activities	<u><u>\$ 561,615</u></u>
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Tri-County Regional Planning Commission

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE OF THE GOVERNMENTAL
FUND TO THE STATEMENT OF ACTIVITIES

Year Ended September 30, 2015

Net change in fund balance - governmental fund	\$ 13,225
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Amounts reported for governmental activities in the statement of activities are different because:

Capital outlays are reported as expenditures in the governmental fund. However, in the statement of activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense. In the current period, these amounts are:

Depreciation expense	<u>(9,503)</u>
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Change in net position of governmental activities	<u>\$ 3,722</u>
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Tri-County Regional Planning Commission

NOTES TO FINANCIAL STATEMENTS

September 30, 2015

NOTE A: DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
- CONTINUED

4. Basis of Accounting - continued

Under the accrual basis of accounting, revenue is recorded in the period in which it is earned and expenses are recorded when incurred, regardless of the timing of related cash flows. Revenues for grants, entitlements, and donations are recognized when all eligibility requirements imposed by the provider have been met. Unearned revenue is recorded when resources are received by the Commission before it has legal claim to them, such as when grant monies are received prior to the incurrence of qualified expenses.

Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The length of time used to define "available" for purposes of revenue recognition in the governmental fund financial statements is sixty (60) days. Revenues susceptible to accrual include property taxes, state aid, and interest revenue. Other revenues are not susceptible to accrual because generally they are not measurable until received in cash. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on long-term debt which are recorded when due.

Resources are considered available if they are collected during the current fiscal year or soon enough afterward to be used in payment of current year liabilities. Unavailable revenues arise when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Unavailable revenues also arise when the Commission receives resources before it has a legal claim to them. In subsequent periods, when both revenue recognition criteria are met, the liability for unavailable revenue is removed from the balance sheet and revenue is recognized.

If/when both restricted and unrestricted resources are available for use, it is the Commission's practice to use restricted resources first, then unrestricted resources as they are needed.

5. Budgets and Budgetary Accounting

The overall budget is based upon individual projects and the general operating fund budgets. Budgeted amounts are as originally adopted, and may be amended by the Commission. Net individual budget amendments were not material in relation to the originally approved amounts. Budgets lapse at the end of the fiscal year.

6. Capital Assets

Capital assets are recorded (net of accumulated depreciation, if applicable) and are those assets with an initial individual cost of \$50,000 for buildings and building improvements, \$25,000 for land improvements, and \$5,000 for all other assets and an estimated useful life of more than one year. All purchased capital assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated capital assets are valued at their estimated fair market value on the date received.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Depreciation is computed using the straight-line method over the following useful lives:

Infrastructure	20-100 years
Buildings and building improvements	20-50 years
Vehicles	4-15 years
Furniture and equipment	5-7 years

Tri-County Regional Planning Commission

NOTES TO FINANCIAL STATEMENTS

September 30, 2015

NOTE B: CASH

In accordance with Michigan Compiled Laws, the Commission is authorized to invest in the following investment vehicles:

1. Bonds, securities, and other obligations of the United States or an agency or instrumentality of the United States.
2. Certificates of deposit, savings accounts, deposit accounts, or depository receipts of a bank which is a member of the Federal Deposit Insurance Corporation (FDIC) or a savings and loan association which is a member of the Federal Savings and Loan Insurance Corporation (FSLIC) or a credit union which is insured by the National Credit Union Administration, but only if the bank, savings and loan association, or credit union is eligible to be a depository of surplus funds belonging to the State under Section 5 or 6 of Act No. 105 of the Public Acts of 1855, as amended, being Section 21.145 and 21.146 of the Michigan Compiled Laws.
3. Commercial paper rated at the time of purchase within the three (3) highest classifications established by not less than two (2) standard rating services and which matures not more than 270 days after the date of purchase.
4. The United States government or Federal agency obligations repurchase agreements.
5. Bankers' acceptances of United States banks.
6. Mutual funds composed of investment vehicles, which are legal for direct investment by local units of government in Michigan.

Deposits

There is a custodial risk as it relates to deposits. In the case of deposits, this is the risk that in the event of a bank failure, the Commission's deposits may not be returned to it. As of September 30, 2015, the carrying amounts and bank balances for the accounts were as follows:

<u>Account Type</u>	<u>Carrying Amount</u>	<u>Bank Balance</u>
Checking	\$ 28,159	\$ 26,674
Savings	689,125	689,125
	<u>\$ 717,284</u>	<u>\$ 715,799</u>

Deposits of the Commission are at federally insured banks located in the State of Michigan with all accounts maintained in the name of the Commission. The bank balances as of September 30, 2015, were federally insured for \$501,998 and the amount of \$213,801 was uninsured and uncollateralized. The cash caption on the financial statements includes \$150 of imprest cash.

Credit risk

State law limits investments in certain types of investments to a prime or better rating issued by nationally recognized statistical rating organizations (NRSRO's). As of September 30, 2015, the Commission did not have any investments that would be subject to rating.

Tri-County Regional Planning Commission

NOTES TO FINANCIAL STATEMENTS

September 30, 2015

NOTE D: CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2015, was as follows:

	Balance Oct. 1, 2014	Additions	Disposals	Balance Sept. 30, 2015
Capital assets being depreciated				
Furniture and equipment	\$ 191,055	\$ -	\$ -	\$ 191,055
Less accumulated depreciation for:				
Furniture and equipment	(156,022)	(9,503)	-	(165,525)
Net capital assets	<u>\$ 35,033</u>	<u>\$ (9,503)</u>	<u>\$ -0-</u>	<u>\$ 25,530</u>

NOTE E: LONG-TERM OBLIGATIONS

The following is a summary of changes in long-term obligations (including current portion) of the Commission for the year ended September 30, 2015.

	Balance Oct. 1, 2014	Earned	Used	Balance Sept. 30, 2015	Amount Due Within One Year
Compensated absences	<u>\$ 32,920</u>	<u>\$ 128,902</u>	<u>\$ (129,078)</u>	<u>\$ 32,744</u>	<u>\$ 32,744</u>

Vacation leave is earned in varying amounts depending on the number of years of service of an employee and is made available on the anniversary date of the employee.

Upon termination, an employee receives payment for the balance of unused vacation leave, which is credited to an employee each month.

NOTE F: RETIREMENT PLAN

The Commission provides pension benefits for all non-temporary employees through a defined contribution plan, which was established by the Board of Commissioners and may be amended from time to time by the Board. This plan is administered by the Michigan Municipal Employees Retirement System. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. The Commission's contributions are vested at a graded rate based on year of service.

<u>Years of Service</u>	<u>Vesting Percentage</u>
1	0%
2	20
3	40
4	60
5	80
6	100

The employer is required to contribute 9% of all covered payroll. Required contributions to the plan were \$65,032, covered payroll was \$721,306, and total payroll was \$721,306 during the fiscal year. Contributions to the plan during the fiscal year were \$65,032.

Tri-County Regional Planning Commission

NOTES TO FINANCIAL STATEMENTS

September 30, 2015

NOTE K: DETAILS OF FUND BALANCE CLASSIFICATIONS - CONTINUED

Nonspendable - assets that are not available in a spendable form such as inventory, prepaid expenditures, and long-term receivables not expected to be converted to cash in the near term. It also includes funds that are legally or contractually required to be maintained intact such as the corpus of a permanent fund or foundation.

Restricted - amounts that are required by external parties to be used for a specific purpose. Constraints are externally imposed by creditors, grantors, contributors or laws, regulations or enabling legislation.

Committed - amounts constrained on use imposed by formal action of the government's highest level of decision making authority (i.e., Board, Council, etc.).

Assigned - amounts intended to be used for specific purposes. This is determined by the governing body, the budget or finance committee or a delegated municipality official.

Unassigned - all other resources; the remaining fund balance after nonspendable, restrictions, commitments, and assignments. This class only occurs in the General Fund, except for cases of negative fund balances. Negative fund balances are always reported as unassigned, no matter which fund the deficit occurs in.

Fund Balance Classification Policies and Procedures

For committed fund balance, the Commission's highest level of decision-making authority is the Board of Commissioners. The formal action that is required to be taken to establish, modify, or rescind a fund balance commitment is a resolution by the Board of Commissioners.

For assigned fund balance, the Commission has not approved a policy indicating who is authorized to assign amounts to a specific purpose. As a result, this authority is retained with the Board of Commissioners.

The Commission has not formally adopted a policy that determines when both restricted and unrestricted fund balances are available which should be used first, therefore restricted resources will be used first, then unrestricted resources if they are needed.

NOTE L: UPCOMING ACCOUNTING PRONOUNCEMENTS

In March 2015, the GASB issued Statement No. 72, *Fair Value Measurement and Application*. This Statement addresses accounting and financial reporting issues related to fair value measurements. The definition of fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This Statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. The Commission is currently evaluating the impact this standard will have on the financial statements when adopted for the 2015-2016 fiscal year.

In June 2015, the GASB issued Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. The statement supersedes Statement No. 55, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. The statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP. The Commission is currently evaluating the impact this standard will have on the financial statements when adopted during the 2015-2016 fiscal year.

REQUIRED SUPPLEMENTARY INFORMATION

Tri-County Regional Planning Commission

General Fund

BUDGETARY COMPARISON SCHEDULE - CONTINUED

Year Ended September 30, 2015

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
EXPENDITURES - CONTINUED				
Current - continued				
Community and economic development - continued				
Special projects	\$ 109,100	\$ 87,100	\$ 67,674	\$ 19,426
Consultant fee	75,868	125,868	123,082	2,786
Contractual services	116,300	66,300	2,500	63,800
Furniture/equipment purchases	15,100	15,100	14,774	326
Audit	9,500	9,200	9,200	-0-
Pass-through	84,027	280,059	247,968	32,091
TOTAL EXPENDITURES	1,933,836	1,991,365	1,823,427	167,938
EXCESS OF REVENUES OVER EXPENDITURES	-0-	21,046	13,225	(7,821)
OTHER FINANCING SOURCES (USES)				
Transfer for local match	(238,439)	(241,664)	(202,312)	39,352
Operating transfers in local match	238,439	241,664	202,312	(39,352)
TOTAL OTHER FINANCING SOURCES (USES)	-0-	-0-	-0-	-0-
NET CHANGE IN FUND BALANCE	-0-	21,046	13,225	(7,821)
Fund balance, beginning of year	522,860	522,860	522,860	-0-
Fund balance, end of year	\$ 522,860	\$ 543,906	\$ 536,085	\$ (7,821)

OTHER SUPPLEMENTARY INFORMATION

Tri-County Regional Planning Commission

SCHEDULE OF COMMISSION REVENUES AND EXPENDITURES (UNAUDITED)

Year Ended September 30, 2015

	Operating	Special Projects		Total	Eliminations	Total
		Indirect	Direct			
REVENUES						
Federal sources	\$ -	\$ -	\$ 948,242	\$ 948,242	\$ -	\$ 948,242
State sources	-	-	82,546	82,546	-	82,546
Local sources	-	-	426,946	426,946	-	426,946
Member allocations	377,850	-	-	-0-	-	377,850
Interest	942	-	-	-0-	-	942
Operating transfers in local match	-	-	202,312	202,312	(202,312)	-0-
Other	9,629	-	-	-0-	(9,503)	126
TOTAL REVENUES	388,421	-0-	1,660,046	1,660,046	(211,815)	1,836,652
EXPENDITURES						
Direct costs						
Salaries and wages	61,577	167,424	492,305	659,729	-	721,306
Fringe benefits	34,330	93,339	274,473	367,812	-	402,142
Discretionary funds	4,936	-	-	-0-	-	4,936
Telephone	-	3,188	-	3,188	-	3,188
Postage	867	1,000	839	1,839	-	2,706
Printing and copying	2,391	2,453	12,212	14,665	-	17,056
Office supplies	47	7,448	3,402	10,850	-	10,897
Graphic supplies	58	718	98	816	-	874
Travel - in region	62	5,336	11,463	16,799	-	16,861
Travel - out region	497	5,475	16,005	21,480	-	21,977
Training	1,552	5,254	2,026	7,280	-	8,832
Commission meeting expenses	1,887	-	-	-0-	-	1,887
Commission travel	75	-	-	-0-	-	75
Rent - meeting facility	-	-	232	232	-	232
Rent - office	-	65,722	-	65,722	-	65,722
Equipment maintenance	-	1,732	-	1,732	-	1,732
Computer services	-	30,312	1,267	31,579	-	31,579
Computer software	-	9,761	12,090	21,851	-	21,851
Insurance	-	7,833	-	7,833	-	7,833
Bank service charges	763	26	-	26	-	789
Subscriptions	-	432	22	454	-	454
Publications	-	71	33	104	-	104
Advertising	25	3,180	1,567	4,747	-	4,772
Depreciation	-	9,503	-	9,503	(9,503)	-0-
Membership dues	395	6,419	3,610	10,029	-	10,424
Special projects	-	-	67,674	67,674	-	67,674
Consultant fee	-	-	123,082	123,082	-	123,082
Contractual services	-	-	2,500	2,500	-	2,500
Furniture/equipment purchases	14,774	-	-	-0-	-	14,774
Audit	-	9,200	-	9,200	-	9,200
Pass-through	-	-	247,968	247,968	-	247,968
Transfer for match	202,312	-	-	-0-	(202,312)	-0-
Indirect costs	48,648	(435,826)	387,178	(48,648)	-	-0-
TOTAL EXPENDITURES	375,196	-0-	1,660,046	1,660,046	(211,815)	1,823,427
NET REVENUES OVER EXPENDITURES						
	<u>\$ 13,225</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 13,225</u>

MID-MICHIGAN WATER AUTHORITY 2014 (30700)	MID-MICHIGAN WATER AUTHORITY 2015 (30800)	MSU WATER RESEARCH - MANAGEMENT PLAN FOR RED CEDAR (31100)	REGIONAL PROSPERITY GRANT (31300)	REGIONAL PROSPERITY GRANT (31310)	EDA PLANNING GRANT (31400)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 58,429
-	-	-	-	-	-
2,112	2,522	6,656	41,422	41,503	-
2,112	2,522	6,656	41,422	41,503	58,429
-	-	-	-	-	58,429
2,112	2,522	6,656	41,422	41,503	116,858
925	1,098	2,914	12,327	354	45,018
516	612	1,625	6,872	198	25,098
-	-	-	-	-	2
-	6	3	14	2,285	93
-	-	-	-	-	-
-	-	-	-	-	-
-	5	-	121	134	2,769
-	-	-	59	-	4,895
-	-	-	-	-	500
-	-	-	-	-	232
-	-	-	-	443	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	22
-	-	-	-	-	-
-	-	-	-	-	630
-	-	-	8,000	8,850	700
-	-	-	-	12,000	-
-	-	-	-	-	-
-	-	-	5,000	15,650	-
671	801	2,114	9,029	1,589	36,899
2,112	2,522	6,656	41,422	41,503	116,858
\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-

SURFACE TRANSPORTATION PROGRAM GRANT (32800)	FTA GRANT SECTION 5303 FUNDS (33000)	STATE PLANNING AND RESEARCH (34000)	ASSISTANCE TO: MDOT OFFICE OF PASSENGER TRANSPORTATION (34500)	HUD SUSTAINABLE COMMUNITIES REGIONAL PLANNING GRANT PROGRAM (35000)	TOTAL
\$ 73,562	\$ 170,001	\$ 15,200	\$ -	\$ 313,758	\$ 948,242
-	-	3,800	5,000	-	82,546
-	-	-	-	-	426,946
73,562	170,001	19,000	5,000	313,758	1,457,734
31,020	42,488	-	-	-	202,312
104,582	212,489	19,000	5,000	313,758	1,660,046
-	81,438	8,122	2,187	55,658	492,305
-	45,403	4,529	1,220	31,030	274,473
-	53	15	-	525	839
-	2,847	53	5	588	12,212
-	115	-	-	985	3,402
-	-	-	-	98	98
-	1,410	242	-	953	11,463
-	1,990	-	-	2,387	16,005
-	290	-	-	-	2,026
-	-	-	-	-	232
-	167	-	-	-	1,267
-	3,811	-	-	-	12,090
-	9	3	-	-	33
-	-	-	-	-	22
-	506	-	-	-	1,567
-	656	-	-	90	3,610
-	6,554	-	-	17,929	67,674
104,582	1,936	-	-	-	123,082
-	745	-	-	-	2,500
-	-	-	-	160,538	247,968
-	64,559	6,036	1,588	42,977	387,178
104,582	212,489	19,000	5,000	313,758	1,660,046
\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-

Tri-County Regional Planning Commission

SCHEDULE OF PROJECT REVENUES AND EXPENDITURES (UNAUDITED)

WELLHEAD: MULTI - MUNICIPALITIES

Project period October 1, 2014 through September 30, 2015

MULTI - MUNICIPALITIES - Cash (30500)

REVENUES

Local

Cash received	\$ 47,399
---------------	-----------

EXPENDITURES

Direct costs

Salaries	\$ 20,760
----------	-----------

Fringe benefits	11,574
-----------------	--------

Printing and copying	8
----------------------	---

Indirect costs	15,057
----------------	--------

TOTAL EXPENDITURES	\$ 47,399
--------------------	-----------

Tri-County Regional Planning Commission

SCHEDULE OF PROJECT REVENUES AND EXPENDITURES (UNAUDITED)

GREATER LANSING REGIONAL COMMITTEE (GLRC) 2015

Project period January 1, 2015 through December 31, 2015

VARIOUS MUNICIPALITIES - Cash (30300)

	Jan. 1, 2015 through Sept. 30, 2015
REVENUES	
Local	
Cash received	\$ 101,873
Unearned revenue - current year	(39,261)
Unearned revenue - prior year	30,165
	<hr/>
TOTAL REVENUES	\$ 92,777
	<hr/>
EXPENDITURES	
Direct costs	
Salaries	\$ 38,370
Fringe benefits	21,392
Printing and copying	65
Travel - in region	1,038
Travel - out region	634
Computer services	2
Membership dues	65
Special projects	2,548
Indirect costs	28,663
	<hr/>
TOTAL EXPENDITURES	\$ 92,777
	<hr/>

Tri-County Regional Planning Commission

SCHEDULE OF PROJECT REVENUES AND EXPENDITURES (UNAUDITED)

MID-MICHIGAN WATER AUTHORITY 2014

Project period January 1, 2014 through December 31, 2014

VARIOUS MUNICIPALITIES - Cash (30700)

	Jan. 1, 2014 through Sept. 30, 2014	Oct. 1, 2014 through Dec. 31, 2014	Jan. 1, 2014 through Dec. 31, 2014
REVENUES			
Local			
Accounts receivable - current year	\$ -	\$ 2,112	\$ 2,112
Accounts receivable - prior year	<u>1,594</u>	<u>-</u>	<u>1,594</u>
TOTAL REVENUES	<u><u>\$ 1,594</u></u>	<u><u>\$ 2,112</u></u>	<u><u>\$ 3,706</u></u>
EXPENDITURES			
Direct costs			
Salaries	\$ 702	\$ 925	\$ 1,627
Fringe benefits	383	516	899
Postage	7	-	7
Printing and copying	4	-	4
Indirect costs	<u>498</u>	<u>671</u>	<u>1,169</u>
TOTAL EXPENDITURES	<u><u>\$ 1,594</u></u>	<u><u>\$ 2,112</u></u>	<u><u>\$ 3,706</u></u>

Tri-County Regional Planning Commission

SCHEDULE OF PROJECT REVENUES AND EXPENDITURES (UNAUDITED)

MSU WATER RESEARCH - MANAGEMENT PLAN FOR THE RED CEDAR

Project period February 1, 2012 through January 31, 2015

VARIOUS MUNICIPALITIES - Cash (31100)

	Feb. 1, 2012 through Sept. 30, 2014	Oct. 1, 2014 through Jan. 31, 2015	Feb. 1, 2012 through Jan. 31, 2015
REVENUES			
Local			
Cash received	<u>\$ 47,092</u>	<u>\$ 6,656</u>	<u>\$ 53,748</u>
EXPENDITURES			
Direct costs			
Salaries	\$ 20,848	\$ 2,914	\$ 23,762
Fringe benefits	10,640	1,625	12,265
Printing and copying	49	3	52
Travel - in region	471	-	471
Indirect costs	<u>15,084</u>	<u>2,114</u>	<u>17,198</u>
TOTAL EXPENDITURES	<u>\$ 47,092</u>	<u>\$ 6,656</u>	<u>\$ 53,748</u>

Tri-County Regional Planning Commission

SCHEDULE OF PROJECT REVENUES AND EXPENDITURES (UNAUDITED)

REGIONAL PROSPERITY GRANT

Project period June 1, 2014 through December 31, 2014

VARIOUS MUNICIPALITIES - Cash (31310)

	June 1, 2014 through Sept. 30, 2014	October 1, 2014 through Dec. 31, 2014	June 1, 2014 through Dec. 31, 2014
REVENUES			
Local			
Cash received	\$ 155,300	\$ -	\$ 155,300
Unearned revenue - current year	<u>(41,503)</u>	<u>41,503</u>	<u>-0-</u>
TOTAL REVENUES	<u>\$ 113,797</u>	<u>\$ 41,503</u>	<u>\$ 155,300</u>
EXPENDITURES			
Salaries	\$ 22,805	\$ 354	\$ 23,159
Fringe benefits	12,453	198	12,651
Telephone	10	-	10
Printing and copying	22	2,285	2,307
Travel - in region	411	134	545
Travel - out region	280	-	280
Computer service	-	443	443
Special projects	35,450	8,850	44,300
Consultant fee	-	12,000	12,000
Pass-through	26,000	15,650	41,650
Indirect costs	<u>16,366</u>	<u>1,589</u>	<u>17,955</u>
TOTAL EXPENDITURES	<u>\$ 113,797</u>	<u>\$ 41,503</u>	<u>\$ 155,300</u>

Tri-County Regional Planning Commission

SCHEDULE OF PROJECT REVENUES AND EXPENDITURES (UNAUDITED)

AERIAL PHOTOGRAPHY

Project period February 1, 2015 through December 31, 2015

VARIOUS MUNICIPALITIES - Cash (312)

	Feb. 1, 2015 through Sept. 30, 2015
REVENUES	
Local	
Cash received	\$ 169,266
Unearned revenue - current year	<u>(106,998)</u>
TOTAL REVENUES	<u>\$ 62,268</u>
EXPENDITURES	
Pass-through	<u>\$ 62,268</u>

Tri-County Regional Planning Commission

SCHEDULE OF PROJECT REVENUES AND EXPENDITURES (UNAUDITED)

MDOT GRANT: ASSET MANAGEMENT

Project period October 1, 2014 through September 30, 2015

MDOT CONTRACT NO. 2015-0022/Z1 (32300)

MDOT - \$33,786 Cash

REVENUES

State of Michigan

Cash

\$ 2,399

Accounts receivable

31,247

TOTAL REVENUES

\$ 33,646

EXPENDITURES

Direct costs

Salaries

\$ 11,020

Fringe benefits

6,144

Office supplies

1,988

Travel - in region

140

Travel - out region

30

Special projects

817

Pass-through

4,512

Indirect costs

8,995

TOTAL EXPENDITURES

\$ 33,646

Tri-County Regional Planning Commission

SCHEDULE OF PROJECT REVENUES AND EXPENDITURES (UNAUDITED)

SURFACE TRANSPORTATION PROGRAM GRANT

Project period October 1, 2014 through September 30, 2015

FHWA CONTRACT NO. 2015-0011/Z3 and 2015-0011/Z4 (32800)

FHWA - \$273,968 Cash

TCRPC - \$82,274 Cash

REVENUES

Federal grant

Cash received \$ 23,976

Accounts receivable 49,586

TOTAL REVENUES 73,562

OTHER FINANCING SOURCES

Operating transfers in

Local match 31,020

TOTAL REVENUES AND
OTHER FINANCING SOURCES \$ 104,582

EXPENDITURES

Direct costs

Consultants \$ 104,582

Tri-County Regional Planning Commission

SCHEDULE OF PROJECT REVENUES AND EXPENDITURES (UNAUDITED)

STATEWIDE PLANNING AND RESEARCH

Project period October 1, 2014 through September 30, 2015

MDOT CONTRACT NO. 2015-0022/Z3 (34000)

FHWA - \$15,200 Cash

MDOT - \$3,800 Cash

REVENUES

Federal grant

Cash received \$ 8,111

Accounts receivable 7,089

State of Michigan

Cash received 2,028

Accounts receivable 1,772

TOTAL REVENUES \$ 19,000

EXPENDITURES

Direct costs

Salaries \$ 8,122

Fringe benefits 4,529

Postage 15

Printing and copying 53

Travel - in region 242

Publications 3

Indirect costs 6,036

TOTAL EXPENDITURES \$ 19,000

Tri-County Regional Planning Commission

SCHEDULE OF PROJECT REVENUES AND EXPENDITURES (UNAUDITED)

HUD SUSTAINABLE COMMUNITIES REGIONAL PLANNING GRANT PROGRAM

Project period February 1, 2012 through April 30, 2015

HUD COOPERATIVE AGREEMENT NO. MIRIP0056-11 (35000)

HUD - \$3,000,000

	Feb. 1, 2012 through Sept. 30, 2014	Oct. 1, 2014 through April 30, 2015	Feb. 1, 2012 through April 30, 2015
REVENUES			
Federal grant			
Cash received - current year	\$ -	\$ 313,758	\$ 313,758
Cash received - prior year	2,079,612	418,371	2,497,983
Accounts receivable - prior year	606,630	(418,371)	188,259
TOTAL REVENUES	\$ 2,686,242	\$ 313,758	\$ 3,000,000
EXPENDITURES			
Direct costs			
Salaries	\$ 161,163	\$ 55,658	\$ 216,821
Fringe benefits	85,236	31,030	116,266
Telephone	110	-	110
Postage	2,088	525	2,613
Printing and copying	3,311	588	3,899
Office supplies	3,933	985	4,918
Graphic supplies	718	98	816
Travel - in region	9,712	953	10,665
Travel - out region	9,381	2,387	11,768
Training	845	-	845
Rent of facility/equipment	3,209	-	3,209
Computer services	824	-	824
Subscriptions/publications	161	-	161
Advertising	241	-	241
Membership dues	553	90	643
Special projects	98,801	17,929	116,730
Pass-through	2,171,190	160,538	2,331,728
Indirect costs	134,766	42,977	177,743
TOTAL EXPENDITURES	\$ 2,686,242	\$ 313,758	\$ 3,000,000

MSU WATER RESEARCH (31100)	REGIONAL PROSPERITY GRANT 2014 (31310)	FHWA PL FUNDS (32100)	MDOT GRANT: ASSET MANAGEMENT (32300)	REGIONAL TRANSPORTATION CONTRACT (32400)
\$ 53,748	\$ 155,300	\$ 387,667	\$ 33,646	\$ 40,100
<u>53,748</u>	<u>155,300</u>	<u>70,375</u>	<u>-</u>	<u>-</u>
-0-	-0-	317,292	33,646	40,100
<u>0%</u>	<u>0%</u>	<u>82%</u>	<u>100%</u>	<u>100%</u>
-	-	317,292	33,646	40,100
<u>-</u>	<u>-</u>	<u>179,747</u>	<u>2,399</u>	<u>19,934</u>
<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 137,545</u>	<u>\$ 31,247</u>	<u>\$ 20,166</u>

HOUSING AND
URBAN
DEVELOPMENT
(35000)

\$ 3,000,000

-

3,000,000

100%

3,000,000

2,811,741

\$ 188,259

Tri-County Regional Planning Commission

ANALYSIS OF INDIRECT COST RATE (UNAUDITED)

Year Ended September 30, 2015

	<u>Indirect Base</u>	<u>Indirect Base</u>
Total expenditures	\$ -	\$ 2,035,242
Direct expenditures	1,599,416	(1,599,416)
Less:		
Discretionary funds	(4,936)	-
Special projects	(67,674)	-
Consultant fee	(123,082)	-
Contractual services	(2,500)	-
Furniture/equipment purchases	(14,774)	-
Pass-through	(247,968)	-
Match	(202,312)	-
	<u>\$ 936,170</u>	<u>\$ 435,826</u>
Indirect cost rate (indirect costs as a part of indirect base)	46.55%	

Tri-County Regional Planning Commission
SCHEDULE OF FRINGE BENEFITS (UNAUDITED)
Year Ended September 30, 2015

Social security	\$ 54,455
Unemployment taxes	4,916
Pension contributions	68,643
Health insurance	242,177
Dental insurance	19,688
Group life insurance	7,694
Employee assistance program	342
Workers compensation insurance	3,134
Fringe benefits miscellaneous	<u>1,093</u>
Total fringe benefits	<u>\$ 402,142</u>
Salaries and wages for the year ended September 30, 2015	<u>\$ 721,306</u>
Fringe benefit rate - All employees	55.75%

FTA PL 2015-0011/Z2 (33000)			MDOT # 2015-0022/Z2 (32400)		
BUDGET	EXPENDED	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	EXPENDED	VARIANCE FAVORABLE (UNFAVORABLE)
\$ 89,295	\$ 69,703	\$ 19,592	\$ 5,000	\$ 6,489	\$ (1,489)
97,885	68,704	29,181	19,000	16,954	2,046
3,483	1,033	2,450	500	148	352
44,744	35,678	9,066	10,000	11,300	(1,300)
16,764	9,487	7,277	4,600	4,022	578
22,469	27,884	(5,415)	1,000	1,187	(187)
<u>\$ 274,640</u>	<u>\$ 212,489</u>	<u>\$ 62,151</u>	<u>\$ 40,100</u>	<u>\$ 40,100</u>	<u>\$ -0-</u>

FHWA - STP # 2015-0011/Z3
FHWA - STP # 2015-0011/Z4 (32800)

FHWA - SP&R # 2015-0022/Z3 (34000)

BUDGET	EXPENDED	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	EXPENDED	VARIANCE FAVORABLE (UNFAVORABLE)
\$ 274,639	\$ 104,582	\$ 170,057	\$ -	\$ -	\$ -0-
-	-	-0-	6,000	-	6,000
-	-	-0-	-	-	-0-
-	-	-0-	6,000	5,436	564
-	-	-0-	7,000	13,564	(6,564)
-	-	-0-	-	-	-0-
<u>\$ 274,639</u>	<u>\$ 104,582</u>	<u>\$ 170,057</u>	<u>\$ 19,000</u>	<u>\$ 19,000</u>	<u>\$ -0-</u>

**Tri-County Regional Planning Commission
Lansing, Michigan**

**SUPPLEMENTARY INFORMATION
TO FINANCIAL STATEMENTS
(FEDERAL AWARDS)**

September 30, 2015

Tri-County Regional Planning Commission

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

To the Board of Commissioners
Tri-County Regional Planning Commission
Lansing, Michigan

Report on Compliance for Each Major Federal Program

We have audited Tri-County Regional Planning Commission's (the Commission) compliance with the types of compliance requirements described in the OMB *Circular A-133 Compliance Supplement* that could have a direct and material effect on the Commission's major federal programs for the year ended September 30, 2015. The Commission's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the Commission's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Nonprofit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Commission's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination on the Commission's compliance.

Opinion on Each Major Federal Program

In our opinion, Tri-County Regional Planning Commission complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2015.

Report on Internal Control Over Compliance

Management of the Commission is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Commission's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Commission's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

We have audited the financial statements of the governmental activities and the major fund of the Commission as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements. We issued our report thereon dated November 30, 2015, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for the purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Abraham & Gaffney, P.C.

ABRAHAM & GAFFNEY, P.C.
Certified Public Accountants

November 30, 2015

Tri-County Regional Planning Commission

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended September 30, 2015

Federal Grantor / Pass-Through Grantor Program Title	CFDA Number	Pass-Through Grantor's Number	Award Amount	(Memo Only) Prior Years' Expenditures	Expenditures
U.S. DEPARTMENT OF COMMERCE					
Direct Award					
Economic Development Administration	11.302				
Support for Planning Organizations		06-83-05839	\$ 169,095	\$ 37,044	\$ 58,429
U.S. HOUSING AND URBAN DEVELOPMENT					
Direct Award					
Sustainable Communities Regional Planning Grant Program	14.703	MIRIP0056-11	3,000,000	2,685,752	313,758
FEDERAL HIGHWAY ADMINISTRATION					
Passed Through Michigan Department of Transportation ^(b)					
Highway Planning and Construction	20.205				
FTA Section 5303		2015-0011/Z2	219,711	-	170,001
FHWA		2015-0011/Z1	480,181	-	317,292
FHWA		2015-0011/Z3	91,751	-	20,691
FHWA		2015-0011/Z4	182,217	-	52,871
FHWA		2015-0022/Z3	15,200	-	15,200
TOTAL FEDERAL HIGHWAY ADMINISTRATION			989,060	-0-	576,055
TOTAL FEDERAL AWARDS			\$ 4,158,155	\$ 2,722,796	\$ 948,242

(a) (c)

Tri-County Regional Planning Commission

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended September 30, 2015

NOTE A: BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards includes the Federal grant activity of the Commission and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Nonprofit Organizations*.

NOTE B: SUMMARY OF SIGNIFICANT EXPLANATIONS OF SCHEDULE

The following descriptions identified below as (a) through (d) represent explanations that cross reference to amounts on the Schedule of Expenditures of Federal Awards.

- (a) The expenditures reported in this schedule are in agreement with the amounts reported in the financial statements and financial reports. The financial reports tested, including claims for advances and reimbursements, were materially correct, complete, accurate, and timely and contain information that is supported by the books and records from which the financial statements have been prepared.
- (b) Denotes program tested as "major program".
- (c) Agrees to total revenues from Federal sources per financial statements.
- (d) Of the federal expenditures presented in the schedule, the Commission provided federal awards to subrecipients as follows:

<u>Federal Grantor / Pass-Through Grantor / Program Title and Subrecipient</u>	<u>CFDA Number</u>	<u>Current Year Expenditures</u>
U.S. HOUSING AND URBAN DEVELOPMENT		
Direct Award		
Sustainable Communities Regional Planning Grant Program	14.703	
Greater Lansing Housing Coalition		\$ 14,340
Meridian Township		4,000
Michigan Energy Options		28,407
Michigan Fitness Foundation		15,661
Michigan State University		51,916
Mid-Michigan Environmental Action Council		13,274
NorthWest Initiative		4,515
Refugee Development Center		3,000
The Fenner Conservancy		4,000
Arts Council of Greater Lansing		2,500
Greater Lansing Food Bank		3,700
EagleVision Ministries		4,000
Greater Lansing Destination Development Foundation		1,200
Friends of East Lansing Schools		4,000
Westside Commercial Association		4,981
Michigan Recycling Coalition		5,000
Southside Community Center		1,000
TOTAL U.S. HOUSING AND URBAN DEVELOPMENT		\$ 165,494

Principals

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Commissioners
Tri-County Regional Planning Commission
Lansing, Michigan

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the major fund of Tri-County Regional Planning Commission (the Commission) as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements and have issued our report thereon dated November 30, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Commission's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control. Accordingly, we do not express an opinion on the effectiveness of the Commission's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during the audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Commission's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Commission's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Commission's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Abraham & Gaffney, P.C.

ABRAHAM & GAFFNEY, P.C.
Certified Public Accountants

November 30, 2015

Tri-County Regional Planning Commission
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended September 30, 2015

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? _____ Yes X No

Significant deficiency(ies) identified? _____ Yes X None reported

Noncompliance material to financial statements noted? _____ Yes X No

Federal Awards

Internal control over major programs:

Material weakness(es) identified? _____ Yes X No

Significant deficiency(ies) identified? _____ Yes X None reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported with Section 510(a) of Circular A-133? _____ Yes X No

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
20.205	Highway Planning and Construction

Dollar threshold used to distinguish between Type A and Type B programs: \$ 300,000

Auditee qualified as low-risk auditee? X Yes _____ No

Section II - Financial Statement Findings

None noted.

Section III - Federal Award Findings and Questioned Costs

None noted.